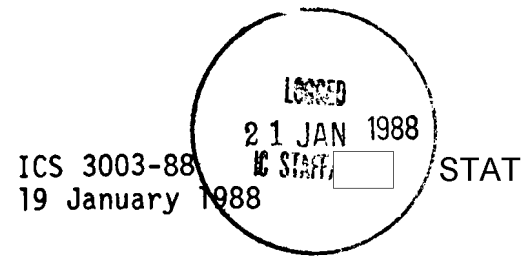


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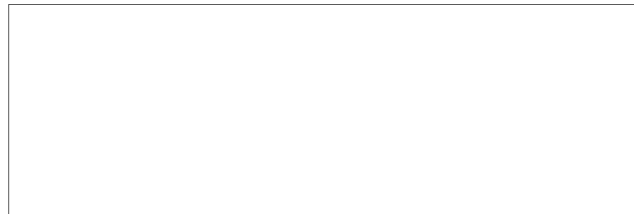


MEMORANDUM FOR: ICS Committee Chairmen and Staff Directors
FROM: Deputy Director, Intelligence Community Staff
SUBJECT: ICS External Contract Procedures

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In an effort to structure better our internal review, approval, and monitoring of external contracts funded by the Staff, we shall implement the procedures described in the attachment effective immediately. The ICS Contract Review Board will convene at the call of the Chairman.

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Attachment
As stated

Attachment

19 January 1988

INTELLIGENCE COMMUNITY STAFF EXTERNAL CONTRACT PROCEDURES

PURPOSE

This paper describes the process by which external contracts are proposed, reviewed, approved, and monitored by the Intelligence Community Staff (ICS).

DEFINITION OF TERMS

External Contracts -- External contracts include study, ADP, or other substantive support efforts funded by the ICS and conducted by a non-ICS entity in support of the ICS. Not included are routine equipment procurements or maintenance contracts that normally fall within the purview of the ICS Administrative Staff.

Contract Plan -- All external contracts that are currently approved for ICS funding in a given fiscal year constitute the approved Contract Plan for that year. At any point in time two Contract Plans will be active. One for the fiscal year that is currently being executed and the second for the fiscal year corresponding to the budget pending before the Congress. In addition, a third Contract Plan will be under development corresponding to the fiscal year for which budget estimates are being prepared.

ICS Contract Review Board -- The ICS Contract Review Board (ICRB) will review and provide advice to the DD/ICS on those proposed external contracts that should be included in the Contract Plan. The DD/ICS will serve as Chairman of the ICRB, and the ICS Budget and Finance Officer will serve as Executive Secretary. Other members of the ICRB will be the DDR&E/ICS, the ICS Executive Officer, and the ICS Program Monitor. Meetings will be scheduled at the discretion of the Chairman.

ESTABLISHING A CONTRACT PLAN

As part of their annual budget preparation, elements of the ICS will identify and justify (in formats specified by the ICS Budget and Finance Officer) those external contracts that they propose to sponsor during the budget fiscal year. These proposed contract efforts will be reviewed and ranked by the ICS Contract Review Board in the spring of each year. Based on the recommendations of the Board, the D/ICS will include proposed contracts in the ICS's 15 June Budget Forecast. After the summer review by the DCI and

receipt of revised DCI fiscal guidance, the ICRB will reconsider the forecast ranking at its August meeting and provide any recommended changes for inclusion in the ICS's 15 September Budget Submission. After review of this submission by the DCI and OMB in the fall, those contract efforts that are ultimately approved and included in the President's budget to the Congress in January (as described in the ICS's Congressional Budget Justification Book) will form the ICS's initial Contract Plan for that fiscal year.

MODIFYING A CONTRACT PLAN

At the beginning of each fiscal year, the ICRB will approve a contract plan for execution based on the Congressionally approved ICS budget. Subsequently, expenditures of any ICS monies on contracts in amounts or for purposes other than those contained in the Contract Plan for a fiscal year are subject to review by the ICS Contract Review Board and approval by the DD/ICS. Proposed new or modified contract expenditures not included in the Contract Plan may be submitted for consideration at any time prior to the end of the relevant fiscal year. The format of these proposals should be the same as that used for annual budget submissions. All outstanding contract proposals not included in the approved Plan will be reviewed and ranked at the bimonthly ICRB meetings. Subject to availability of funds and based on its contract ranking, the Board may recommend approval of additional contracts that will then become part of the Contract Plan for that fiscal year. Proposed contracts not approved at a ICRB meeting will automatically be reconsidered at the next meeting unless withdrawn by the sponsoring ICS element.

To ensure that monies designated for contracts in the approved Contract Plan for the fiscal year currently being executed are obligated expeditiously, any contracts in the Plan for which funds have not yet been committed by 31 May will be removed from the Plan. Associated monies will be made available for competition among any proposed contracts scheduled for consideration at the June ICRB meeting. Removed contracts may, however, be renominated for competition with other proposed contracts at this meeting.

MONITORING CONTRACTOR PERFORMANCE

Primary responsibility for monitoring contractor performance resides with the Contracting Officer's Technical Representative (COTR). In addition to the COTR's routine reporting responsibilities as outlined in Agency regulations, within 30 days of completion of an external contract, or at the end of each fiscal year for level-of-effort contracts, the COTR will prepare and submit to the Executive Secretary of the ICRB a Contract Completion Report. The report should describe the total amount of funds expended on the contract during the reporting period, the products derived from the contract, how these products will be used by the sponsoring staff element, and a general appraisal of contractor performance.

SUBJECT: ICS External Contract Procedures

DCI/ICS/EO [] (15 October 1987)

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